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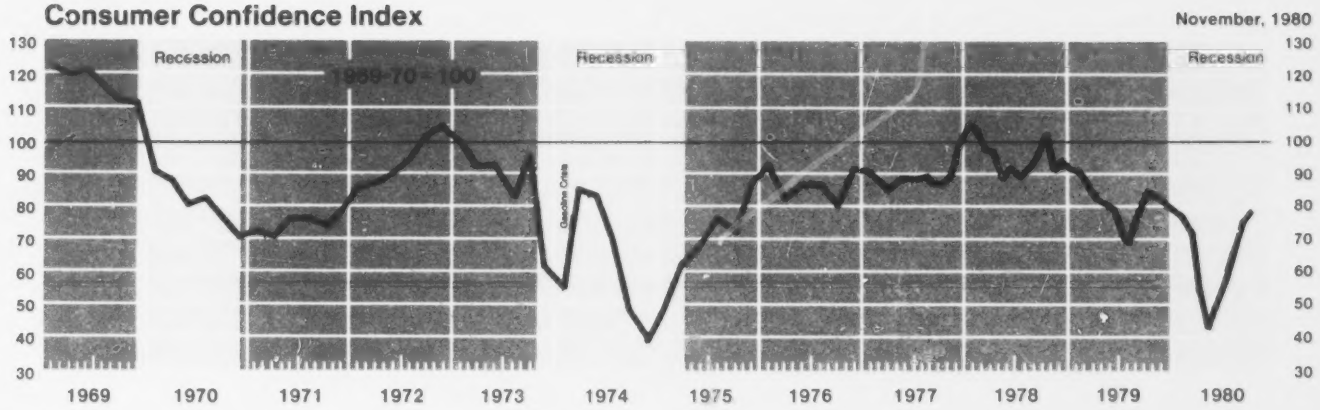
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board

Based on a Survey Conducted by National Family Opinion, Inc.

Consumer Confidence Index



CONFIDENCE MODERATELY HIGHER BUT SPENDING PLANS EDGE OFF

The Board's Index of Consumer Confidence (1969-1970 = 100) rose to 79.2% in October, for a modest gain of three points. This is the fifth consecutive month in which this series has improved. Buying plans declined moderately, however, after chalking up a sturdy gain the month before.

In assessing ongoing conditions, consumers remain quite disenchanted. About twice as many believe business conditions are "bad" as the number who say that such conditions are "good." And there continues to be considerable uneasiness about jobs.

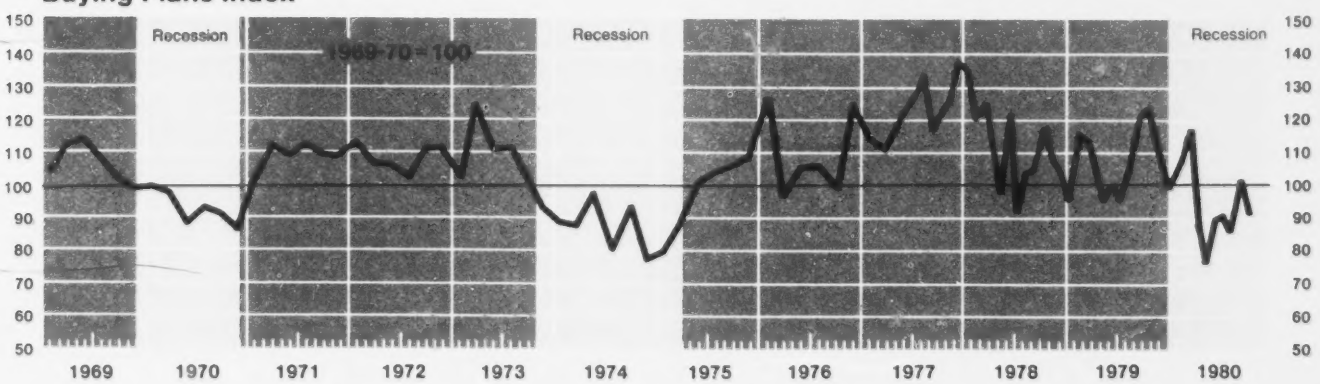
But in looking ahead to the next six months, consumers continue to be more optimistic. Expectations for the future are higher now than in the past two years. In the lastest survey the number of persons who held pessimistic expectations declined, although the prevalence of optimistic views did not change very much. Thus, while consumer confidence improved in October, there are also indications of caution.

This caution appears to have carried over into plans to spend. The proportion of those who indicated that they would purchase an automobile—new or used—over the next six months declined to 6.4%, for a loss of a full point. Home buying plans edged off in the latest survey too, from 3.0% to 2.8% of all respondents. Intentions to buy a major appliance also declined from 28.9% previously to 25.4 percent. For all these items—cars, homes and appliances—plans to purchase are currently running substantially below levels of a year ago.

Plans to travel are up. This series now stands at 46.3%, a good gain over the 42.9% recorded in August when this question was last included in the survey. The number of persons who plan to visit a foreign country declined, however. Intentions to make a plane trip in the coming months are slightly stronger.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by National Family Opinion, Inc.
Percentage of all households

All series seasonally adjusted	1979 Oct	1979 Nov	1979 Dec	1980 Jan	1980 Feb	1980 Mar	1980 Apr	1980 May	1980 June	1980 July	1980 Aug	1980 Sept (r)	1980 Oct (p)
Consumer Confidence Index	83.6	83.0	80.8	79.1	76.4	71.5	52.9	42.1	48.6	59.4	66.4	76.2	79.2
Present Situation	94.6	93.8	93.8	91.1	85.6	79.6	63.9	38.5	34.6	37.5	36.9	48.0	47.4
Expectations	76.3	75.8	72.1	71.1	70.3	66.1	45.5	44.4	58.0	73.9	86.1	95.0	100.4
Buying Plans Index	121.9	113.4	107.2	99.2	107.0	116.4	65.4	76.2	89.9	90.2	85.7	100.4	90.4
Appraisal of Present Situation: Percent													
Business Conditions													
Good	25.7	25.0	25.9	25.8	23.2	22.3	17.4	11.8	12.5	13.1	12.9	16.9	15.8
Bad	14.6	14.4	14.4	14.2	16.6	20.0	25.2	37.0	39.4	37.4	37.8	31.3	30.4
Normal	59.7	60.0	59.7	60.0	60.2	57.7	57.4	51.2	48.1	49.5	49.3	51.8	53.8
Employment													
Jobs plentiful	21.9	21.7	21.4	19.9	20.2	20.5	16.2	10.4	9.0	9.8	9.7	11.2	11.1
Jobs not so plentiful	54.1	53.9	53.9	54.2	52.9	50.0	52.3	50.4	46.5	46.8	46.6	48.5	49.1
Jobs hard to get	24.0	24.4	24.7	25.9	26.9	29.5	31.5	39.2	44.5	43.4	43.7	40.3	39.8
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	15.2	15.7	14.5	13.6	13.0	12.6	8.6	9.5	15.0	18.8	22.2	25.6	23.3
Worse	19.6	21.1	21.7	22.0	21.6	25.3	42.7	40.2	33.9	22.6	19.0	13.8	12.1
Same	65.2	63.2	63.8	64.4	65.4	62.1	48.7	50.3	51.1	58.6	58.0	60.6	64.6
Employment													
More jobs	12.6	13.7	13.0	12.3	11.8	10.9	6.5	7.1	12.4	15.8	18.9	20.6	20.9
Fewer jobs	26.7	28.7	31.1	30.5	29.7	31.7	46.6	47.5	40.9	28.7	25.4	20.7	17.8
Same	60.7	57.6	55.9	57.2	58.5	57.4	46.9	45.4	46.7	55.5	55.7	58.7	61.3
Income													
Increase	35.3	33.6	33.7	36.6	34.2	34.7	30.2	24.3	28.6	27.4	32.5	31.7	30.8
Decrease	6.6	6.4	7.2	7.2	7.3	7.6	11.7	12.9	12.9	11.1	8.3	9.5	6.3
Same	58.1	60.0	59.1	56.2	58.5	57.7	58.1	62.8	58.5	61.5	59.2	58.8	62.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.4	8.0	7.8	7.7	8.2	9.6	6.3	6.0	6.6	6.7	6.0	7.4	6.4
New	4.7	4.5	4.2	4.1	5.0	5.3	3.6	3.1	3.8	3.2	2.9	4.2	3.8
Used	3.5	2.9	3.3	2.9	2.8	3.9	2.3	2.7	2.6	3.3	2.7	2.7	2.4
Uncertain	0.2	0.6	0.3	0.7	0.4	0.4	0.4	0.2	0.2	0.2	0.4	0.5	0.2
Home													
Yes	4.2	3.7	3.4	2.5	3.2	2.9	2.2	2.0	3.0	2.8	2.7	3.0	2.8
New	0.9	1.2	1.0	0.5	0.9	0.9	0.5	0.4	1.1	0.7	0.5	0.9	0.9
Lived in	2.1	1.7	1.4	1.4	1.5	1.5	1.2	1.2	1.1	1.4	1.1	1.2	1.3
Uncertain	1.2	0.8	1.0	0.6	0.8	0.5	0.5	0.4	0.8	0.7	1.1	0.9	0.6
Major appliances													
Total plans	34.0	31.0	30.5	28.5	29.0	32.2	27.2	21.5	23.3	25.2	25.7	28.9	25.4
Refrigerator	4.6	4.4	4.0	4.3	4.0	4.5	3.1	2.7	3.3	3.5	3.7	4.5	3.5
Washing machine	4.6	4.4	4.1	3.6	3.6	4.3	3.9	2.7	3.4	3.7	3.2	4.1	2.9
Black and white TV	2.0	1.5	1.3	1.3	1.7	1.6	1.5	1.0	1.2	1.0	1.5	1.5	1.3
Color TV	7.1	6.5	7.2	6.5	6.4	7.0	6.6	5.0	5.4	6.2	6.5	6.7	5.4
Vacuum cleaner	6.2	5.4	5.4	4.7	5.5	6.3	5.2	4.1	3.9	4.4	4.2	5.0	5.1
Range	3.6	3.7	3.3	3.3	2.9	3.2	2.2	2.1	2.2	2.2	2.6	3.0	2.6
Clothes dryer	3.9	3.6	3.8	3.1	3.1	3.4	3.2	2.6	2.6	2.7	2.6	2.8	2.8
Air conditioner	2.0	1.5	1.4	1.7	1.8	1.9	1.5	1.3	1.3	1.5	1.4	1.3	2.0
Carpet	12.1	12.1	10.7	10.9	10.0	12.1	9.1	9.1	9.4	8.0	8.6	10.3	10.8
Vacation Intended Within Six Months: Percent													
Vacation Intended	44.2		46.7		43.6		43.0		43.7		42.9		46.3
Destination													
Home state	9.2		10.4		11.1		10.0		10.6		11.0		10.7
Other states	31.4		33.0		29.4		29.9		29.4		28.2		32.7
Foreign country	4.3		4.5		4.3		3.9		4.3		4.5		3.4
Means of Travel													
Automobile	28.6		33.1		30.2		29.9		31.5		31.2		31.5
Airplane	13.5		13.1		13.4		13.8		12.3		11.2		12.2
Other	3.1		2.5		2.6		2.6		3.6		2.7		2.0

Note: All 1979 data have been adjusted to reflect that year's revised seasonal factors. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.